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IMPROVEMENTS IN THE WHEAT CROP INSURANCE PROGRAM

Interview between John A. Bird, Federal Crop Insurance Corporation, and Wallace Kadderly, Radio Service, USDA, broadcast Friday, July 14, 1939, in the Department of Agriculture period, National Farm and Home Hour.

--ooOoo--

KADDERLY:

Last week Wayne Darrow gave us some highlights on the new wheat crop insurance program for 1940. Today John A. Bird of the Federal Crop Insurance Corporation is here to fill in some of the details.

John, I think it would be a good idea to review what Wayne said---briefly. I wasn't here in the studio a week ago, but I know Wayne -- for one thing -- said something about streamlining the crop insurance program.

BIRD:

Yes, he told how the wheat crop insurance program for 1940 has been changed in some particulars to make it easy for growers to insure their crops.

KADDERLY:

But the principles of the insurance are just the same --

BIRD:

That's right. No change in the principles. The farmer can insure either 50 or 75 per cent of his average yield against all unavoidable risks. However, where last year the grower had to apply before he could find out how much yield he could insure and what it would cost, this year all of that information is already on file in county Triple-A offices. So all the grower has to do this year is to apply, pay his premium, and he's insured -- just one operation.

KADDERLY:

Another thing, Wayne mentioned was this. If a grower doesn't have wheat or cash to pay his crop insurance premium, he can get an advance against future Triple-A payments for the amount needed.

BIRD:

That's right. In other words, there is no need for any wheat grower to take chances on his 1940 wheat crop -- if he doesn't want to.

KADDERLY:

Now -- about those details you are going to supply.

BIRD:

I thought I'd touch two main improvements in the program.

KADDERLY:

And number one is ... what?

BIRD:

The new base period. As you know, the amount of yield a grower can insure and the amount of premium he pays for insurance is based on the actual experience of his farm. Last year, the base period -- the yardstick by which we measure the

(over)

yields and premiums -- was for 10 years -- 1926 to 1935. This year we have been able to bring in the yields for 1936, 1937, and 1938.

KADDERLY:

That gives the program a 13-year base period, then.

BIRD:

Right -- and it means that insurable yields and premium rates are right up to date. In other words, we have a longer and better yardstick to measure the risks and the yields.

KADDERLY:

Now point number two.

BIRD:

Special practices. You see, in recent years growers in certain areas have found new ways to improve their methods of growing wheat. Some have begun to irrigate their land or to use summer fallow, or to apply fertilizer.

KADDERLY:

And naturally, improved practices increase their yields and lower their risks.

BIRD:

That's the idea -- but a straight historic base wouldn't give them credit for these recent improvements in their methods of farming. So, under a special practices procedure, the effects of special practices can be measured and due weight given in the insurance in these areas.

KADDERLY:

These improvements should make it possible for more farmers to insure their wheat. By the way, what is the outlook for the 1940 program?

BIRD:

Can't tell yet, Wallace. The sign-up will be starting in a week or so in the early-planting southwest states.

KADDERLY:

No hints, even as to how the sign-up will go?

BIRD:

Well, the state committees are sending in estimates that in the winter wheat belt twice or three times as many growers will insure their 1940 wheat crop as insured their 1939 crop. Harvests have been disappointing in some areas and growers are getting a good demonstration as to how insurance will give them wheat to sell -- despite crop failure.

KADDERLY:

Just how extensive are the losses this year?

BIRD:

At present we estimate that in the winter wheat belt something like 7 to 8 thousand growers who insured their crops will collect some insurance -- the exact figures won't be known until they have threshed their crops. To date the Corporation has paid out 976,000 bushels to cover the 3,200 losses that have been paid.

KADDERLY:

And I'll bet those growers are mighty glad to get that wheat.

John A. Bird of the Federal Crop Insurance Corporation has reported on the new 1940 wheat crop insurance program. John or some other member of the Corporation will be back next week at this same time to keep us up to date on crop insurance.

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